



Renewable Energy.
Sustainable Development.



News Release
For Immediate Distribution

INNERGEX AND HYDRO-QUÉBEC ANNOUNCE A STRATEGIC ALLIANCE AND A PRIVATE PLACEMENT

- Innergex and Hydro-Québec forming a new world-class alliance in renewable energy
- Innergex's growth to be accelerated with investments in larger and more diversified projects
- Hydro-Québec executing on its growth strategy
- \$661 million invested by Hydro-Québec through a Private Placement in Innergex
- \$500 million initial commitment by Hydro-Québec for future co-investments with Innergex in renewable energy projects globally

LONGUEUIL, Québec, February 6, 2020 – Innergex Renewable Energy Inc. (TSX: INE) (“Innergex” or the “Corporation”) and Hydro-Québec announced today the creation of a strategic alliance (the “Strategic Alliance”) that will allow both corporations to accelerate their respective growth strategies and mutually benefit from their complementary skills and knowledge. Innergex and Hydro-Québec will combine forces to form a new world-class alliance in renewable energy. This Strategic Alliance is well positioned to leverage the strong Québec know-how in renewable energy and power grid management into global opportunities.

The Strategic Alliance between Innergex and Hydro-Québec will target specific strategic investments for their mutual benefit. Targeted areas for investment include wind and solar projects with battery storage or transmission, distributed generation, off-grid renewable energy networks, and other sectors as may be agreed by both parties. Hydro-Québec has committed an initial \$500 million to the Strategic Alliance which will be entirely and exclusively dedicated to co-investment projects with Innergex.

To strengthen Hydro-Québec’s commitment to Innergex, to finance Innergex’s strong development and acquisition portfolio and to position the Corporation for accelerated growth in the years to come, Hydro-Québec has made a \$661 million investment in Innergex through a private placement (“Private Placement”) of Innergex common shares at a price of \$19.08 per share, representing a premium of 5.0% to the 30-day volume weighted average price as at February 5, 2020. With this Private Placement, Hydro-Québec is now a key strategic investor in the Corporation holding 19.9% of the issued and outstanding common shares on a non-diluted basis.

Strategic Alliance

The Strategic Alliance will leverage the combined expertise of both companies in renewable energy and build on their strengths to accelerate their development in North America, Latin America, and Europe. The Strategic Alliance is expected to strengthen both companies internationally, building on their shared Quebec roots, appetite for technology innovations and ambitious growth. Hydro-Québec’s top expertise, solid reputation and financial strength, combined with Innergex’s entrepreneurial culture, wind and solar development expertise, operational agility and knowledge of international markets will enable the Strategic

Alliance to capitalize on opportunities to develop and grow in the renewable energy sector. Each party will commit to presenting investment opportunities in targeted sectors outside of Quebec to each other exclusively for an initial 3-year period.

“This Strategic Alliance will be a key driver of growth for Innergex and we are extremely proud to announce this long-term partnership. Hydro-Québec and Innergex share common goals and values as well as an appetite to grow in the global renewable energy sector. We are convinced that this partnership will drive both corporations to reach new heights in our fight against climate change,” said Michel Letellier, President and Chief Executive Officer of Innergex. “We are convinced that the combination of Hydro-Québec’s know-how in electricity transmission, distributed generation and battery storage with Innergex’s expertise in wind, solar and small hydro project development internationally will yield attractive growth opportunities through the Strategic Alliance. Moreover, we are pleased to welcome Hydro-Québec as a strategic investor in Innergex. The Private Placement will provide our Corporation with the capital required to finance our ongoing growth portfolio, which has expanded at an impressive pace over recent months, and will increase our financial flexibility to capitalize on future opportunities.”

Private Placement

Pursuant to the Private Placement, Innergex has issued 34.6 million common shares to Hydro-Québec, at a price of \$19.08 per share, representing a premium of 5.0% to the 30-day volume weighted average price of common shares of the Corporation on the Toronto Stock Exchange (“TSX”) as at February 5, 2020. The Private Placement has been conditionally approved by the TSX, subject to customary conditions.

Innergex also agreed to provide Hydro-Québec with the right to nominate two candidates to Innergex’s board of directors as long as Hydro-Québec owns at least 15% of the outstanding Innergex common shares.

Additional terms of the Private Placement include registration rights, pre-emptive rights, transfer and trading restrictions, and a standstill undertaking pursuant to which Hydro-Québec agreed not to increase its stake in the outstanding common shares of the Corporation to greater than 19.9% for a period of twenty-four months following the date hereof, subject to certain exceptions and restrictions thereafter.

Innergex Use of Private Placement Proceeds

Of the \$661 million proceeds from the Private Placement, Innergex expects to use \$50 million to fund cash equity requirements to continue the development of its 200 MW Hillcrest solar photovoltaic project located in Brown County, Ohio. Development of the project continues to progress as expected, with project debt financing expected to be finalized in early Q2 2020. Construction was launched in January 2020 and commissioning is to be achieved in Q4 2020. The project benefits from a long-term power purchase agreement (“PPA”) secured in November 2019.

Innergex will also use \$70 million to finance its previous acquisition of 125 MW of solar photovoltaic panels to allow approximately 650 MW of projects to fully qualify for the 30% US federal Investment Tax Credit (“ITC”). This investment is part of Innergex’s ongoing efforts to optimize the return of its development portfolio in the United States. Innergex has existing projects in development where it can deploy all of these panels.

Innnergex expects to use approximately \$275 million to fund the equity requirements related to the potential acquisition of two operating projects, one in the United States and one in Chile, for which the Corporation is currently in exclusive negotiations. These transactions, if completed, are expected to be accretive to Free Cash Flow per share from the first full year of operation following their completion. The Corporation currently expects to execute definitive acquisition agreements by the end of Q1-2020, although there is no certainty these acquisitions may occur nor as to the timing thereof.

Innnergex will use the remaining \$266 million, and any other remaining proceeds in the event the foregoing potential acquisitions are not completed, to fund working capital requirements and repay outstanding debts pending deployment in advanced-stage development projects, future acquisitions and other value enhancing opportunities. This includes repaying the \$118 million outstanding term loan in Innnergex's Alterra subsidiary which currently bears interest at 7.9%.

A Beneficial Investment for Hydro-Québec

Hydro-Québec is proud to invest in and partner with Innnergex to form a new world-class alliance in renewable energy and to continue executing on its growth strategy. The Private Placement and the Strategic Alliance with Innnergex are in line with Hydro-Québec's disciplined approach to business growth.

"Today's announcement fits perfectly with our vision of leveraging our skills and investing in companies or projects with high potential for synergy with our business. The targets for these investments are sectors in which we excel, and this alliance will allow our know-how and our innovations to shine on a global scale", said Éric Martel, President and Chief Executive Officer of Hydro-Québec. "Hydro-Québec has always been at the forefront of the development of renewable energy. Today, we reaffirm our role as leader of the energy transition, and we look forward to supporting Innnergex's long-term growth plans through future co-investment opportunities."

Early Warning Disclosure

Pursuant to the Private Placement, Hydro-Québec acquired 34,636,823 common shares of Innnergex, at a price of \$19.08 per common share, for a total consideration of \$661 million. Immediately prior to the Private Placement, Hydro-Québec did not have beneficial ownership of, or control or direction over, any common shares or other securities of Innnergex. Immediately following the Private Placement, Hydro-Québec had beneficial ownership of, and control and direction over, 34,636,823 common shares of the Corporation, representing a security holding percentage of 19.9% of the Corporation's issued and outstanding common shares.

Hydro-Québec completed the Private Placement for business and investment purposes. Depending on market and other conditions, Hydro-Québec may from time to time, in the future, increase or decrease its ownership, control or direction over the common shares or other securities of Innnergex, through market acquisitions, private agreements, public offerings or otherwise. However, Hydro-Québec has no predetermined intention with respect to any of the foregoing. An early warning report will be filed with the applicable securities commissions and will be made available on SEDAR at www.sedar.com, a copy of which may be obtained by contacting Pierre Gagnon, Executive Vice President – Corporate and Legal Affairs and Chief Governance Officer, Hydro-Québec, at 514-289-2211 or Responsable.Acces@hydro.qc.ca.

Advisors

National Bank Financial is acting as financial advisor and McCarthy Tétrault is acting as legal counsel to Innergex. RBC Capital Markets is acting as financial advisor and Norton Rose Fulbright is acting as legal counsel to Hydro-Québec.

Conference call and Webcast

Innergex will host a conference call and webcast on February 6, 2020 at 1 PM EST. Analysts and institutional investors are invited to access the conference call by dialing 1-888-231-8191 or 647-427-7450 or to access the webcast at <https://bit.ly/2GRhiLt> or via Innergex's website at www.innergex.com. Journalists as well as the public may access this conference via a listen mode only. A replay of the conference call will be available after the event via the website www.innergex.com.

Press Conference

Hydro-Québec and Innergex invite media representatives to a press conference at Hydro-Québec's head office at 75, René-Lévesque Boulevard West, Montreal on February 6, 2020 at 10 AM. Journalists who would like to attend the press conference must register by contacting Maxence Huard-Lefebvre by phone at 514-289-5005 or by email at huard-lefebvre.maxence@hydro.qc.ca.

About Innergex Renewable Energy Inc.

For 30 years now, Innergex believes in a world where abundant renewable energy promotes healthier communities and creates shared prosperity. As an independent renewable power producer which develops, acquires, owns and operates hydroelectric facilities, wind farms and solar farms, Innergex is convinced that generating power from renewable sources will lead the way to a better world. Innergex conducts operations in Canada, the United States, France and Chile and manages a large portfolio of high-quality assets currently consisting of interests in 68 operating facilities with an aggregate net installed capacity of 2,588 MW (gross 3,488 MW), including 37 hydroelectric facilities, 26 wind farms and five solar farms. Innergex also holds interests in six projects under development, two of which are under construction, with a net installed capacity of 296 MW (gross 378 MW), and prospective projects at different stages of development with an aggregate gross capacity totaling 7,767 MW. Its approach to building shareholder value is to generate sustainable cash flows, provide an attractive risk-adjusted return on invested capital and to distribute a stable dividend.

About Hydro-Québec

Hydro-Québec generates, transmits and distributes electricity. It is Canada's largest electricity producer and is among the world's largest hydropower producers. Its sole shareholder is the Québec government. As recognized leader in hydropower and large transmission systems, Hydro-Québec exports clean, renewable power and commercializes its expertise and innovations on world markets. Its research institute, IREQ, conducts R&D in energy efficiency, energy storage and other energy-related fields. Hydro-Québec invests \$100 million in research every year.

Non-IFRS Measures

Some measures referred to in this press release are not recognized measures under IFRS and therefore may not be comparable to those presented by other issuers. Innergex believes that these indicators are important, as they provide management and the reader with additional information about the Corporation's production and cash generation capabilities, its ability to sustain current dividends and dividend increases and its ability to fund its growth. These indicators also facilitate the comparison of results over different periods. Free Cash Flow is not a measure recognized by IFRS and have no standardized meaning prescribed by IFRS.

References to "Free Cash Flow" are to cash flows from operating activities before changes in non-cash operating working capital items, less maintenance capital expenditures net of proceeds from disposals, scheduled debt principal payments, preferred share dividends declared and the portion of Free Cash Flow attributed to non-controlling interests, plus or minus other elements that are not representative of the Corporation's long-term cash generating capacity, such as transaction costs related to realized acquisitions (which are financed at

the time of the acquisition), realized losses or gains on derivative financial instruments used to hedge the interest rate on project-level debt or the exchange rate on equipment purchases. Innergex believes that presentation of this measure enhances the understanding of the Corporation's cash generation capabilities, its ability to sustain current dividends and dividend increases and its ability to fund its growth. Readers are cautioned that Free Cash Flow should not be construed as an alternative to cash flows from operating activities, as determined in accordance with IFRS. Please refer to the section entitled "Non-IFRS Measures" of the management discussion and analysis for the nine-month period ended September 30, 2019 filed under Innergex's SEDAR profile at www.sedar.com for the definition and historical reconciliation to the most comparable IFRS measure.

Forward-Looking Information Disclaimer

To inform readers of the Corporation's future prospects, this press release contains forward-looking information within the meaning of applicable securities laws, including, but not limited to, Innergex's business strategy, use of proceeds of the Private Placement, pending acquisitions transactions (including the expected timing, funding of the purchase price and benefits from such transactions, including the financial benefits); future development and growth prospects (including expected growth opportunities under the Strategic Alliance), development, financing and construction progress of the 200 MW Hillcrest solar photovoltaic project located in Brown County, Ohio, financing of 125 MW of solar photovoltaic panels and deployment of such panels, business outlook, objectives, plans and strategic priorities, and other statements that are not historical facts ("Forward-Looking Information"). Forward-Looking Information can generally be identified by the use of words such as "approximately", "may", "will", "could", "believes", "expects", "intends", "should", "plans", "potential", "project", "anticipates", "estimates", "scheduled" or "forecasts", or other comparable terminology that state that certain events will or will not occur. It represents the estimates, projections and expectations of the Corporation relating to future events, results or developments as of the date of this press release.

Forward-Looking Information includes future-oriented financial information or financial outlook within the meaning of securities laws, such as expected production, projected revenues and projected Free Cash Flow, to inform readers of the potential financial impact of expected results, of the expected commissioning of the Corporation's development projects, of the potential financial impact of pending, completed and future acquisitions and of the Corporation's ability to sustain current dividends and to fund its growth. Such information may not be appropriate for other purposes.

Since forward-looking statements address future events and conditions, they are by their very nature subject to inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks. These include, but are not limited to, the risks associated with the renewable energy industry in general such as execution of strategy; ability to develop projects on time and within budget; capital resources; derivative financial instruments; qualification for PTCs and ITCs; current economic and financial conditions; hydrology and wind regimes, solar irradiation; construction, design and development of new facilities; performance of existing projects; equipment failure; interest rate and refinancing risk; currency exchange rates, variation in merchant price of electricity, financial leverage and restrictive covenants; and relationships with public utilities. Readers are cautioned that the foregoing list of factors is not exhaustive. Additional information on these and other factors that could affect the operations or financial results of Innergex are included in Innergex's annual information form available on SEDAR at www.sedar.com.

Forward-Looking Information in this press release is based on certain key expectations and assumptions made by the Corporation. The following table outlines Forward-Looking Information contained in this press release, the principal assumptions used to derive this information and the principal risks and uncertainties that could cause actual results to differ materially from this information.

Principal Assumptions	Principal Risks and Uncertainties
<p>Projected Free Cash Flow and intention to pay dividend quarterly</p> <p>The Corporation estimates Projected Free Cash Flow as projected cash flows from operating activities before changes in non-cash operating working capital items, less estimated maintenance capital expenditures net of proceeds from disposals, scheduled debt principal payments, preferred share dividends declared and the portion of Free Cash Flow attributed to non-controlling interests, plus or minus other elements that are not representative of the Corporation's long-term cash generating capacity, such as transaction costs related to realized acquisitions (which are financed at the time of the acquisition), realized losses or gains on derivative financial instruments used to hedge the interest rate on project-level debt or the exchange rate on equipment purchases. The Corporation estimates the annual dividend it intends to distribute based on the Corporation's operating results, cash flows, financial conditions, debt covenants, long-term growth prospects, solvency, test imposed under corporate law for declaration of dividends and other relevant factors.</p>	<ul style="list-style-type: none"> Improper assessment of and variability in water, wind and solar resources and associated electricity production Equipment supply and equipment failure risks Natural disasters and force majeure Regulatory and political risks Health, safety and environmental risks Variability of installation performance and related penalties Availability and reliability of transmission systems Litigation Reliance on PPAs; ability to secure new PPAs or renew any PPAs Revenues from certain facilities will vary based on the market (or spot) price of electricity; fluctuations affecting prospective power prices Changes in general economic conditions Interest rate fluctuations and financing risk Financial leverage and restrictive covenants governing current and future indebtedness Unexpected maintenance capital expenditures Foreign exchange fluctuations A credit rating that may not reflect actual performance of the Corporation or credit rating downgrade Possibility that the Corporation may not declare or pay a dividend
<p>Qualification for ITCs</p> <p>For certain development projects in the United States, the Corporation intends to purchase solar panels to qualify its development projects for ITCs at the full rate and to obtain tax equity financing on such a basis. To assess the potential qualification of a project, the Corporation takes into account the construction work performed and the timing of such work. The expected Tax Equity Flip Point for tax equity investment is determined according to the long-term averages and revenues of each such project and is subject in addition to the related risks mentioned above.</p>	<ul style="list-style-type: none"> Risks related to U.S. PTCs and ITCs, changes in U.S. corporate tax rates and availability of tax equity financing Regulatory and political risks Obtainment of permits
<p>Use of proceeds and completion of pending acquisition transactions</p> <p>The Corporation expects to use a portion of the proceeds of the Private Placement to fund certain pending acquisitions.</p>	<ul style="list-style-type: none"> Signing of definitive agreements Satisfaction of closing conditions Regulatory and political risks Third party consents and regulatory approvals

Principal Assumptions	Principal Risks and Uncertainties
<p>Estimated project costs, start of construction, and start of commercial operation for development projects or prospective projects</p> <p>For each development project and prospective project, the Corporation may provide (where available) an estimate of potential installed capacity, estimated project costs, project financing terms and each project's development and construction schedule, based on its extensive experience as a developer, in addition to information directly related to incremental internal costs, site acquisition costs and financing costs, which are eventually adjusted for the projected costs and construction schedule provided by the engineering, procurement and construction ("EPC") contractor retained for the project.</p> <p>The Corporation provides indications based on assumptions regarding its current strategic positioning and competitive outlook, as well as scheduling and construction progress, for its development projects and its prospective projects, which the Corporation evaluates based on its experience as a developer.</p>	<p>See principal assumptions, risks and uncertainties identified under "Projected Free Cash Flow and intention to pay dividend quarterly"</p> <p>Uncertainties surrounding development of new facilities</p> <p>Performance of major counterparties</p> <p>Delays and cost overruns in the design and construction of projects</p> <p>Ability to secure appropriate land</p> <p>Health, safety and environmental risks</p> <p>Higher-than-expected inflation</p> <p>Equipment supply</p> <p>Interest rate fluctuations and financing risk</p> <p>Risks related to U.S. PTCs and ITCs, changes in U.S. corporate tax rates and availability of tax equity financing</p> <p>Relationships with stakeholders</p> <p>Foreign market growth and development risks</p> <p>Outcome of insurance claims</p>

Although the Corporation believes that the expectations and assumptions on which Forward-Looking Information is based are reasonable, readers of this press release are cautioned not to rely unduly on this Forward-Looking Information since no assurance can be given that they will prove to be correct. The Corporation does not undertake any obligation to update or revise any Forward Looking Information, whether as a result of events or circumstances occurring after the date of this press release, unless so required by legislation.

- 30 -

For Media

Karine Vachon
450 928-2550, ext. 1222
kvachon@innergex.com

Maxence Huard-Lefebvre
514 289-5005
huard-lefeuvre.maxence@hydro.qc.ca

For Investors

Jean-François Neault
Chief Financial Officer
450 928-2550, ext. 1207
jfneault@innergex.com